

Message Text

CONFIDENTIAL

PAGE 01 ASUNCI 03336 141717Z
ACTION HA-05

INFO OCT-01 ARA-10 ISO-00 EB-08 SS-15 SP-02 L-03
AID-05 CIAE-00 INR-10 NSAE-00 OPIC-03 INRE-00
SSO-00 NSCE-00 H-01 OMB-01 TRSE-00 /064 W
-----089461 141720Z /53

O 141640Z AUG 78
FM AMEMBASSY ASUNCION
TO SECSTATE WASHDC IMMEDIATE 3758

C O N F I D E N T I A L ASUNCION 3336

EO 11652: GDS
TAGS: SHUM EFIN PA
SUBJECT: PENDING ECONOMIC ASSISTANCE

REF STATE 201860

1. DEPARTMENT HAS RAISED QUESTION OF SUSPENSION OF ASSISTANCE
TO PARAGUAY AT AN OPPORTUNE MOMENT BECAUSE IN EFFECT TODAY COULD BE
INTERPRETED AS MARKING INAUGURATION OF A "NEW" ADMINISTRATION HERE,
ONE THAT HAS SOME SOLID PROGRESS IN HUMAN RIGHTS BEHIND IT.

2. AS WE UNDERSTAND IT, DEPARTMENT'S POLICY SINCE LAST SEPTEMBER
IS TO HOLD UP BILATERAL ASSISTANCE AND VOTE AGAINST IFI LOANS UNTIL
PRESIDENT STROESSNER FULFILLS THE PLEDGE HE MADE PERSONALLY TO
PRESIDENT CARTER TO ADMIT THE INTER-AMERICAN HUMAN RIGHTS COMMISSION
(IAHRC) FOR AN ON-SITE VISIT. CERTAINLY THIS IS WHAT THE
PARAGUAYANS BELIEVE, HAVING RECEIVED THIS MESSAGE FREQUENTLY AND
CONSISTENTLY FROM POLICY-MAKING OFFICIALS IN WASHINGTON AS WELL
AS FROM THIS EMBASSY. OUR MESSAGE WAS REINFORCED AGAIN LAST MONTH
WHEN THE U.S. VOTED AT THE OASGA FOR A RESOLUTION THAT PASSE BY
A SUBSTANTIAL MAJORITY AND WHICH FOUND RESPECT FOR HUMAN RIGHTS IN
PARAGUAY FALLS BELOW THE INTERNATIONAL STANDARD, THAT POINTED
OUT PARAGUAY HAD NOT DELIVERED ON ITS SEPTEMBER 1977 PROMISE
TO THE IAHRC TO FACILITATE A VISIT AND THAT CALLED ON PARAGUAY
TO MAKE ARRANGEMENTS WITHOUT DELAY TO RECEIVE AN IAHRC ON-SITE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ASUNCI 03336 141717Z

INVESTIGATION. THUS PARAGUAY IS NOW NOT ONLY IN VIOLATION OF
A PROMISE BY PRESIDENT STROESSNER TO PRESIDENT CARTER BUT ALSO
TO THE IAHRC AS ATTESTED BY THE OASGA RESOLUTION.

3. IT WOULD APPEAR THAT THERE ARE TWO CHOICES OPEN TO THE USG
AT THIS JUNCTURE: EMPHASIZE THE PROGRESS MADE IN THE RELEASE
OF PRISONERS, INCREASED FREEDOM OF THE PRESS, ASSEMBLY, ETC.

AND DIMINISH THE IMPORTANCE OF THE IAHRC VISIT; OR CONTINUE TO INSIST THAT WITHOUT THE VISIT PARAGUAY HAS REFUSED TO SUBMIT ITS ALLEGED PROGRESS TO INTERNATIONAL VERIFICATION AND CONTINUES ITS DEFIANCE OF THE IAHRC IN LEAGUE WITH THE OTHER REPRESSIVE GOVERNMENTS OF THE SOUTHERN CONE.

4. CHOOSING THE FIRST ALTERNATIVE WOULD BRING THE FOLLOWING ADVANTAGES. WE COULD SIGN THREE PENDING AID LOANS AND ONE GRANT AMOUNTING TO ABOUT \$18 MILLION; WE COULD VOTE IN FAVOR OF THE BID/FSO LOAN OF \$5 MILLION (REFTEL) AND APPROVE ANY FUTURE SOFT LOANS. AS WE MADE THESE MOVES, I WOULD EXPLAIN TO THE GOP THAT WE HAVE BEEN SO IMPRESSED WITH SUCH EVIDENCE OF PROGRESS AS THE RELEASE OF NEARLY ALL THE POLITICAL PRISONERS (25 REMAIN OF SOME HUNDREDS AND THEY WILL ALMOST CERTAINLY BE SET FREE SOON), THAT WE ARE RESPONDING BOTH TO THE IMPROVED HUMAN RIGHTS CLIMATE AND THE INAUGURATION OF A "NEW" ADMINISTRATION BY ALTERING OUR FORMER POLICY IN THE FULL CONFIDENCE THAT PRESIDENT STROESSNER WILL SOON MAKE GOOD HIS PROMISE TO PRESIDENT CARTER CONCERNING THE IAHRC VISIT. THIS NEW APPROACH ON OUR PART WOULD HAVE A MOST HELPFUL EFFECT ON RELATIONS HERE. I WOULD ANTICIPATE AN END TO THE ATTACKS ON PRESIDENT CARTER, HIS POLICIES AND HIS REPRESENTATIVES. I WOULD NOT ANTICIPATE, HOWEVER, THAT THE GOP WOULD INVITE THE IAHRC.

5. THE OTHER ALTERNATIVE IS TO HOLD THE LINE, CONTINUE TO WITHHOLD AID AND VOTE AGAINST IFK LOANS UNTIL THE IAHRC VISIT
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ASUNCI 03336 141717Z

IS FIRMLY FIXED. THAT APPROACH WILL NOT BRING AN END TO STRAINED RELATIONS BUT WILL ENTAIL MORE PROBLEMS OF HOW TO MAINTAIN OUR AID AND MILITARY MISSIONS IN THE ABSENCE OF NEW PROGRAMS AND LACK OF MEANINGFUL WORK FOR THEIR STAFFS. A FURTHER PROBLEM IS HOW WE CONTINUE TO JUSTIFY SUSPENSION OF ALL OUR ASSISTANCE PROGRAMS WHEN THE HUMAN RIGHTS SITUATION ON THE GROUND IS MANIFESTLY IMPROVED.

6. THIS EMBASSY COULD CONTINUE TO PURSUE THE HUMAN RIGHTS POLICY OF THE ADMINISTRATION UNDER EITHER POLICY FORMULATION. WHAT WOULD BE DESTRUCTIVE, HOWEVER, IS A PIECEMEAL APPROACH IN WHICH WE ARE REQUIRED TO ACT UNDER ONE RUBRIC TODAY AND ANOTHER TOMORROW. THUS A DECISION SHOULD BE TAKEN NOW TO FOLLOW ONE COURSE OF ACTION AND WE SHOULD THEN STICK TO IT.

7. MY PREFERENCE IS CLEAR. I RECOMMEND STRONGLY THAT WE MAINTAIN THE PRESENT POLICY OF SUSPENDING NEW ASSISTANCE AND VOTE AGAINST ALL IFI LOANS UNTIL PARAGUAY ADMITS THE IAHRC. BASIC HUMAN NEEDS ARE UNFULFILLED IN PARAGUAY, DESPITE A GROSS PER CAPITA INCOME OF OVER \$800 AND MILLIONS OF DOLLARS FLOWING IN EVERY MONTH FROM THE ITAIPU DAM CONSTRUCTION, BECAUSE THIS GOVERNMENT'S

PRIORITIES ARE ELSEWHERE. WE SHOULD NOT FEEL GUILTY ABOUT WITHHOLDING AID UNTIL VERIFIABLE PROOF OF PROGRESS IN HUMAN RIGHTS IS AVAILABLE. PARAGUAY'S DRIVING NEED IS FOR MINIMUM STANDARDS OF CIVIL DECENCY AND AN END TO OPRESSION DESIGNED TO MAINTAIN IN POWER A CORRUPT AND ARBITRARY SYSTEM. WHAT PROGRESS HAS BEEN ACHIEVED HERE, AND IT IS CLEAR TO ALL OBSERVERS NOW, HAS COME IN LARGE MEASURE BECAUSE THE U.S. WAS WILLING TO TAKE A FIRM AND UNYIELDING LINE -- THE ONLY LANGUAGE THIS GOVERNMENT UNDERSTANDS--AND TO SUFFER A CERTAIN AMOUNT OF OBLOQUY IN THE PROCESS. IF WE BACK OFF NOW, WHEN WE ARE CLOSE TO THE GOAL WE SET, IT IS MY ESTIMATE THAT THE MOMENTUM TOWARDS CHANGE WILL SLOW AND SOON STOP. THAT WOULD LEAVE PARAGUAY IN THE COMFORTABLE POSITION OF HAVING GIVEN CONTRADICTORY PROMISES TO THE U.S. AND TO BRAZIL,
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 ASUNCI 03336 141717Z

MEANWHILE BENEFITING FROM OUR MATERIAL ASSISTANCE AND MAINTAINING MEMBERSHIP IN GOOD STANDING IN THE SOUTHERN CONE LEAGUE AGAINST THE IAHRC. (SEE ASUNCION 3213 AND MONTEVIDEO 2687.)

8. OUR RECOMMENDATION, THEREFORE, IS THAT INTER-AGENCY GROUP AUGUST 18 DEFER ACTION ON PENDING AID LOANS AND INSTRUCT IDB DELEGATE TO SEEK WITHDRAWAL OF PARAGUAYAN APPLICATION FOR FSO LOAN UNTIL U.S. IS IN A POSITION TO VOTE IN FAVOR.
WHITE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, POLICIES
Control Number: n/a
Copy: SINGLE
Draft Date: 14 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978ASUNCIO3336
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780332-0007
Format: TEL
From: ASUNCION
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780865/aaaacccu.tel
Line Count: 145
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 9a168663-c288-dd11-92da-001cc4696bcc
Office: ACTION HA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 STATE 201860
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 06 jul 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1742572
Secure: OPEN
Status: NATIVE
Subject: PENDING ECONOMIC ASSISTANCE
TAGS: SHUM, EFIN, EAID, PA, US
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/9a168663-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014